

# **Guide to the Code of Ethics for Public Officials and State Employees**



**2007**

### INTRODUCTION

The Connecticut Office of State Ethics (OSE) is an independent regulatory agency for the state of Connecticut, charged with administering and enforcing Connecticut General Statutes, Chapter 10, Part I and Part II.

The Ethics Codes under the OSE's jurisdiction are comprised of:

- The Code of Ethics for Public Officials (Part I); and
- The Code of Ethics for Lobbyists (Part II).

This guide provides general information only. The descriptions of the law and the OSE are not intended to be exhaustive. Please contact the OSE with any questions regarding interpretation of the law.

For more information on the subjects discussed in this guide, call, write or visit:

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**18-20 Trinity Street**  
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**Hartford, CT 06106**

**860/566-4472**  
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### THE OFFICE OF STATE ETHICS (OSE)

The Connecticut Office of State Ethics (OSE) was officially created on July 1, 2005, by Public Act 05-183. The governing body of the OSE is the Citizen's Ethics Advisory Board (CEAB), nine members appointed by the Governor and legislative leadership. The CEAB holds monthly meetings that are open to the public and that are often covered by CT-N. A schedule of CEAB meeting dates, times and locations is available on the OSE's Web site, [www.ct.gov/ethics](http://www.ct.gov/ethics).

The OSE is an independent watchdog agency for the state of Connecticut that administers Connecticut General Statutes, Chapter 10, Parts I and II.

Simply put, the OSE educates all those covered by the law (the "regulated community") provides information to the public; interprets and applies the codes of ethics; and investigates potential violations of the codes.

The OSE is made up of the following components:

- Citizen's Ethics Advisory Board
- Executive Director
- Legal Division
- Enforcement Division

### THE BIG PICTURE

All state officials and employees (except judges) are covered by Part I of the Code of Ethics for Public Officials (henceforth, Part I, or the Code). It is important to remember that certain provisions of the Code also apply to public officials and state employees after they leave state service.

As you read through this guide, be aware that these laws were enacted to prevent individuals from using their public position or authority for personal, financial benefit.

**Each state agency also has its own ethics policy, which in many cases may be more restrictive than what follows. Be sure to obtain a copy of your agency's policy.**

### BENEFITS TO STATE PERSONNEL



#### Gifts

As a public official or state employee, there are rules in place regarding accepting gifts from both regulated and non-regulated donors. In general, you may not accept gifts from regulated donors.

#### Regulated Donors

Regulated donors include:

- Registered lobbyists (the OSE can tell you who is registered);
- Individuals or entities doing business with your state department or agency;
- Individuals or entities seeking to do business with your state department or agency;
- Individuals or entities engaged in activities regulated by your state department or agency; or
- Contractors pre-qualified by the Connecticut Department of Administrative Services (Conn. Gen. Stat. § 4a-100).

A **gift** is defined as anything of value that you (or in certain circumstances a member of your family) directly and personally receive *unless* you provide consideration of equal or greater value (e.g., pay for the item). Conn. Gen. Stat. § 1-79 (e).

#### Gift Exceptions

There are, however, certain exceptions to this definition of gift. Not all exceptions are covered below; see Conn. Gen. Stat. § 1-79 (e) (1) – (17) for the complete list.

- *Token Items* – Regulated donors such as current or potential state contractors may provide you with any item of value that is under \$10 (such as a pen, mug, or inexpensive baseball cap), provided that the annual aggregate of such items from a single source is under \$50. Conn. Gen. Stat. § 1-79 (e) (16).
- *Food and Beverage* – Regulated donors may also provide you with up to \$50 worth of food and beverage in a calendar year, provided that the regulated donor or his/her representative is in attendance when you consume the food and/or beverage. Conn. Gen. Stat. § 1-79 (e) (9).
- *Training (NEW)* – Vendors may provide you with training for a product purchased by a state or quasi-public agency provided such training is offered to all customers of that vendor. Conn. Gen. Stat. § 1-79 (e) (17).
- *Gifts to the State (NEW)* – Regulated donors may provide what are typically referred to as “gifts to the state.” These gifts are goods and services provided to a state agency or quasi-public agency for use on state or quasi-public agency property or that support an event, and which facilitate state or quasi-public action or functions. Conn. Gen. Stat. § 1-79 (e) (5).

## Guide for Public Officials

- *Other Exceptions* – There are a total of 17 separate gift exceptions in the Code. Also exempt from the definition of gift are items such as informational materials germane to state action, ceremonial plaques or awards costing less than \$100, or promotional items, rebates or discounts also available to the general public. See Conn. Gen. Stat. § 1-79 (e) (1) – (17).

**Note:** Registered lobbyists may make use of the oft-cited “major life event exception.” Other regulated donors *may not* make use of this exception. There is no dollar limit on an item a registered lobbyist gives to you or a member of your family for:

- Birth or adoption of a child;
- Wedding;
- Funeral; or
- Ceremony commemorating induction into religious adulthood (e.g., bar mitzvah or confirmation).

This list of major life events is exhaustive.

### Gift Provisions

*Example: You are in the process of reviewing a bid for work at your agency. The contractor submitting the bid provides you with a gift certificate for \$45 to a popular West Hartford eatery for you to use on your own. You have not previously received anything of value from this individual.*

*Even though the certificate is under the permissible \$50 food and beverage limit, this gift is not allowed because the contractor or his/her representative will not be in attendance while the food and beverage is being consumed.*

### Non-regulated Donors

Besides regulated donors outlined above, the law cites two other categories of individuals or entities that may attempt to give you gifts. These other “gift-givers” include:

- *Non-regulated donors giving you something because of who you are in state service* – If a gift-giver does not fall within the definition of a regulated donor, but is nonetheless giving you something because of your public position, you should be aware that a dollar limit exists. From this type of donor, you may only accept up to \$100 annually from a single source.
- *Non-regulated donors giving you something that has nothing to do with your state job* – There is no limit as to what you may accept from a non-regulated donor, such as your neighbor of 20 years or a best friend from kindergarten, who is giving you a gift that has nothing to do with your public position. This holds true as long as the donor remains non-regulated. Should this individual become a registered lobbyist, for example, the gift provisions regarding regulated donors would apply.

### **Necessary Expenses**

You may receive compensation for necessary expenses *only* if you, in your official capacity, actively participate in an event; for example by giving a speech or presentation, or running a workshop.

Necessary expenses can include:

- Travel (not first class);
- Lodging (standard cost of room for the nights before, of, and immediately following the event);
- Meals; and
- Related conference expenses.

Entertainment costs (tickets to sporting events, golf outings, night clubs, etc.) are *not* necessary expenses. Necessary expense payments also *do not* include payment of expenses for family members or other guests.

Within 30 days of receiving payment or reimbursement of necessary expenses for lodging or out-of-state travel, as a state employee, you must file an ETH-NE form with the OSE. Conn. Gen. Stat. § 1-84 (k).

### Fees/Honorariums

As a public official or state employee, you may **not** accept fees or honorariums for an article, appearance, speech or participation at an event in your official capacity.



Fees or honorariums for such activities, if offered based solely on your expertise and without any regard to your official capacity, may be acceptable. Contact the OSE if you are offered such payment. Conn. Gen. Stat. § 1-84 (k).

#### Necessary Expenses, Fees and Honorariums

*Example: You are invited to travel to New York City to give the keynote address to a trade association at its annual meeting. You will be speaking in your official capacity as a Connecticut state employee. The association provides Amtrak fare for you and your spouse, who will spend the day in the city. The evening of the speech, you and your spouse are treated by the event organizer to a Broadway show in lieu of a speaking fee.*

*You may receive non-first class travel only if you are actively participating in an event. In this case, you may only accept Amtrak fare for yourself, not your spouse. Entertainment costs, such as tickets to a show, are not considered necessary expenses and may not be accepted. Additionally, state employees may not accept fees or honorariums for a speech given in their official capacity.*



### Gifts Between State Employees

Advisory Opinion No. 2006-6 interpreted Conn. Gen. Stat. § 1-84 (p), a recently-enacted provision in the Code. This three-part provision limits gift-giving between certain individuals in state service. Specifically:

- The provision imposes a monetary limit of \$99.99 for gifts between a public official or state employee and his or her supervisor. This limit is a **per-gift** – not a per-year – amount.
- Individuals subject to this limit may still make use of the major-life-event exception. In other words, supervisors and subordinates are not limited to \$99.99 when giving gifts to each other for major life events.
- The provision applies not only to direct supervisors and subordinates, but to any individual up or down the chain of command.

In Advisory Opinion 2007-5, the Board concluded that supervisors and/or subordinates **may not pool** their money to give a collective or group gift valued in excess of the \$99.99 limit. Thus, except in the case of a major life event, it would be a violation for Supervisor A to accept a gift valued at \$150 from Subordinates X and Y (and for them to give such a gift), even though the individual contributions of X and Y are less than the \$99.99 limit established in § 1-84 (p).

### EMPLOYMENT RESTRICTIONS

#### Post-state Employment (Revolving Door)

If you are a *former* state employee seeking employment, you should be aware of the Code's post-state employment, or revolving-door, provisions.

##### Lifetime Bans

- You may **never** disclose any confidential information you learned during the course of your state service for anyone's financial gain. Conn. Gen. Stat. § 1-84a.
- You may **never** represent anyone other than the state regarding a particular matter in which you were personally or substantially involved while in state service and in which the state has a substantial interest. This prevents side-switching in the midst of on-going state proceedings. Conn. Gen. Stat. § 1-84b (a).

##### One-year Bans

- You may not represent your new employer for compensation before your former agency for a period of **one year** after leaving state service. Conn. Gen. Stat. § 1-84b (b). (See Advisory Opinion No. 2003-3, which provides a limited exception to this provision if you are providing purely technical expertise; for example, to help implement a previously-awarded contract. This exception applies to extremely limited circumstances; contact the OSE for guidance.)



- You are prohibited from being hired for a period of **one year** after you leave state service if you were substantially involved in, or supervised, the negotiation or award of a state contract (that a prospective employer was a party to) valued at \$50,000 or more, and the contract was signed within your last year of state service. Conn. Gen. Stat. § 1-84b (f).
- Employees who held certain specifically-designated positions (with significant decision-making or supervisory responsibility) at certain state regulatory agencies are prohibited from seeking or accepting employment with any business subject to regulation by the individual's agency within **one year** of leaving the agency. Note that there is an exception for *ex-officio* board or commission members. Conn. Gen. Stat. § 1-84b (c).

### Post-state Employment

*Example: The head of a hospital regulated by the Office of Health Care Access (OHCA) would like to offer a job to the former Commissioner of OHCA, who has been out of state service for 5 months.*

*Because the hospital is regulated by a state agency whose Commissioner is specifically designated in 1-84b (c), the former head of such agency would not be permitted to accept employment with the company for one full year after leaving state service. See Advisory Opinion No. 2003-19.*

## Outside Employment for Current Public Officials and State Employees

If you are a *current* state employee seeking outside employment, especially from an employer that is regulated by or does business with your agency, you should be aware of the following rules regarding the employment of current state employees.

- You may not accept outside employment that impairs your independence of judgment regarding your state duties, or that encourages you to disclose confidential information learned in your job. Conn. Gen. Stat. § 1-84 (b).
- You may not use your position for financial gain, however inadvertent that use may be. For example, a current state employee who exercises any contractual, supervisory or regulatory authority over a prospective employer and/or business may not be able to work for that employer. Conn. Gen. Stat. § 1-84 (c).

- You may not accept employment with an entity that represents others before the following 13 agencies: State Insurance and Risk Management Board, Claims Commissioner, Office of Health Care Access, Insurance Department, Department of Environmental Protection, Department of Public Utility Control, Department of Banking, Department of Consumer Protection: liquor control, Department of Motor Vehicles, Gaming Policy Board, Division of Special Revenue, Connecticut Real Estate Commission, Connecticut Siting Council. Conn. Gen. Stat. §1-84 (d). Note: This provision does *not* apply to legislators.
- You may not utilize state time, materials or personnel in completing tasks for outside employment.

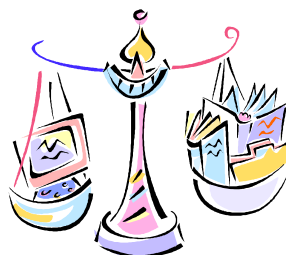
### Other Considerations

Present or former Gaming Policy Board or Division of Special Revenue public officials or employees should be aware of specific provisions relating to their involvement with businesses engaged in Indian gaming activities. See Conn. Gen. Stat. §§ 1-84b (d) and (e).

### **Outside Employment**

*Example: Your agency occasionally approves grants or contracts from Business X. A particular contract manager with your agency has been approached by Business X with an employment possibility. This employee has expressed interest in earning a little extra money for himself, while helping Business X in the evenings and on weekends.*

*It would constitute an impermissible impairment of judgment for the employee of your agency, who has contract management responsibilities, to accept outside employment with Business X – a business that receives grants or contracts from your agency.*



### STATEMENTS OF FINANCIAL INTERESTS



#### Statements of Financial Interests

Each year, the Governor's Office issues the standard that determines which public officials and state employees must file a Statement of Financial Interests (SFI) with the OSE. These statements include information such as names of all associated businesses, income over \$1,000 and a list of all real property as well as any creditors. These examples are not exhaustive; refer to Conn. Gen. Stat. §1-83 (b) for a complete list.

The SFIs serve two purposes. First, the financial disclosure provides a checklist or reminder to you to be mindful of potential conflicts of interest. Second, the statements serve as a tool to maximize public confidence in governmental decision making.

In 2007, the Governor's standard requires an SFI filing by individuals in the executive branch and quasi-public agencies who:

- Exercise significant policy-making, regulatory, or contractual authority;
- Have significant decision-making and/or supervisory responsibility for the review and/or award of state contracts;
- Have significant decision-making and/or supervisory responsibility over staff that monitors state contracts; and
- All state employees and public officials who have responsibility for the review, award, or monitoring of state contracts.

If your name appears on the list of filers, you are obligated by law to file. The OSE takes enforcement action against delinquent filers.

### OTHER PROVISIONS

#### Reporting Requirements

Should you receive anything of value from an entity doing business with, seeking to do business with, or directly regulated by your department or agency, that entity must, within **10 days**, give you and the head of your department or agency a written report stating:

- Name of the donor;
- Description of item(s) given;
- Value of such item(s); and
- Total cumulative value of all items to date given to you by that donor during the calendar year.



This helps both you and the regulated donor keep track of the gift exceptions noted above, so that permissible limits are not exceeded. Conn. Gen. Stat. § 1-84 (o).

### Public Act 05-287

Public Act 05-287 contains key changes to the Codes of Ethics. The most important changes for public officials include:

- Mandatory reporting requirements for certain agency heads who have “reasonable cause to believe that a person has violated” the Codes of Ethics. Those agency heads are now required to report that belief to the Office of State Ethics. (Note: Ethics compliance officers and liaisons are *not* mandatory reporters.)
- Codification of the prohibition of gift-giving between supervisors and subordinates for gifts costing \$100 or more. Conn. Gen. Stat. §1-84 (p). (See page 9 of this guide.)
- Appointments of ethics liaison officers within each state agency. Section 35 of the Public Act codified this requirement as well as established certain roles and responsibilities for the liaison officers. (See below.)

### Ethics Compliance Officers and Ethics Liaisons

Ethics compliance officers must be appointed within each state agency and quasi-public agency that deals with or plans large state contracts. The main responsibilities of a compliance officer include developing an agency ethics policy as well as training agency employees on the Code, paying attention to any changes in the law as well as provisions specific to state contracting. Conn. Gen. Stat. §1-101rr (a).

Ethics liaisons must be appointed within each other state agency and quasi-public agency. These officers serve as a link between the agency and the Office of State Ethics. Liaisons are responsible for developing agency ethics policies as well as coordinating employee training with the OSE. Conn. Gen. Stat. §1-101rr (b).

The OSE supports the responsibilities of the above officers by providing in-person training, educational videos or training materials upon request. The OSE also sends a monthly electronic newsletter to each officer that highlights new developments in the law, summarizes new advisory opinions, includes handouts on complex areas of the law and provides answers to frequently-asked questions. All such communications are indexed on the OSE’s Web site, in the “Ethics Liaison/Compliance Officer Corner.”

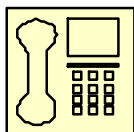
### FOR MORE INFORMATION

This guide provides general information only. The descriptions of the law and the OSE are not intended to be exhaustive. For more information regarding the Code of Ethics as it pertains to public officials and state employees, please contact the Office of State Ethics, Monday – Friday, 8:30 a.m. to 5:00 p.m.

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Questions or advice regarding the Ethics Codes: [Ethics.Code@ct.gov](mailto:Ethics.Code@ct.gov)

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